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Financing of the United Nations Preventive Deployment Force

Final performance report of the United Nations Preventive Deployment Force

Report of the Secretary-General

Summary

The present report contains the final performance report of the United Nations Preventive Deployment Force.

The report contains information on reimbursement to troop-contributing Governments, expenditures, cash position and unpaid assessed contributions.

The action to be taken by the General Assembly is set out in paragraph 1 of the present report.

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I. Overview

Table 1
Overview of performance
(Thousands of United States dollars)

Category of expenditure	*Expenditures reported in performance reports*	*Actual expenditures*	*Variance*
Gross requirements	151 808.8	145 653.2[a]	(6 155.6)
Income from staff assessment	(3 031.2)	(2 857.1)	174.1
Net requirements	148 776.6	142 796.1	(5 981.5)

[a] Excludes expenditures of $172,000 gross ($76,000 net) for the liquidation of the Force for the period from 1 July to 15 October 1999.

1. For the reasons explained in paragraphs 6 and 12 to 17 below, the action to be taken by the General Assembly in respect of the United Nations Preventive Deployment Force (UNPREDEP) is as follows:

(a) **To decide to reduce the appropriation provided in its resolution 53/20 B of 8 June 1999 of $183,730 gross ($166,330 net) for the liquidation of the Force for the period from 1 July to 15 October 1999 to the amount of $172,000 gross ($76,000 net);**

(b) **To apportion the amount of $172,000 gross ($76,000 net) for the period from 1 July to 15 October 1999;**

(c) **To offset the apportionment in subparagraph (b) above against the unencumbered balance of $7, 059,600 gross ($6,885,500 net);**

(d) **To decide that Member States waive their respective shares in the cash balance of $18,213,000 to be applied to the resources required for the financing of the strategic deployment stocks.**

II. Introduction

Establishment of the United Nations Preventive Deployment Force

2. The United Nations presence in the former Yugoslav Republic of Macedonia was originally authorized by the Security Council in its resolution 795 (1992) of 11 December 1992 on the United Nations Protection Force, with an essentially preventive mandate to monitor and report developments on the borders with Albania and the Federal Republic of Yugoslavia that could undermine confidence and stability in the country or threaten its territory. It was envisaged that such a United Nations presence would also deter threats from any source and help prevent clashes that would otherwise occur between external elements and the country's forces. A small United Nations civilian police detachment was also authorized to monitor the local border police. The rationale for the police deployment was to calm tensions arising from illegal attempts to cross the border. By its resolution 983 (1995) of 31 March 1995, the Council decided that the United Nations Protection Force within the former Yugoslav Republic of Macedonia should be known as the United Nations Preventive Deployment Force.

3. Following the termination of the mandate of UNPROFOR in December 1995, the Secretary-General recommended to the Security Council, in his report dated 30 January 1996 (S/1996/65), that UNPREDEP should become an independent mission reporting directly to United Nations Headquarters in New York. The concurrence of the Council was contained in a letter dated 1 February 1996 (S/1996/76) from the President of the Council to the Secretary-General.

4. In paragraph 34 of his report to the Security Council (S/1999/161) dated 12 February 1999, the Secretary-General requested the extension of the mandate of UNPREDEP for a period of six months, from 1 March to 31 August 1999. The mandate of the Force, however, was not extended and, consequently, UNPREDEP was terminated on 28 February 1999.

Liquidation of the Force

5. The withdrawal of the Force's personnel and assets from the mission area as well as other field liquidation tasks were carried out during the period from 1 March to 30 June 1999. Following the completion of the liquidation tasks in the field, additional liquidation activities were undertaken in the mission area and at Headquarters up to 15 October 1999. The report on the final disposition of UNPREDEP assets was issued on 15 September 2000 (A/55/390).

6. The General Assembly, in its resolution 53/20 B, appropriated an amount of $183,730 gross ($166,330 net) for the liquidation of the Force for the period from 1 July to 15 October 1999. These amounts were not assessed on Member States. Related expenditures amounted to $172,000 gross ($76,000 net).

III. Voluntary contributions and trust funds

Table 2
Voluntary contributions
(United States dollars)

Government/organization	*Contribution*	*Value*
Cyprus	Cash	2 000
Former Yugoslav Republic of Macedonia	Construction materials	[a]
	Gravel	102 100
Germany	Medical supplies	[a]
Troop contributors	Operational maps	[a]
United States of America	Water distribution project	[a]
	Repair of buildings	29 000

[a] Value not quantified.

7. No trust fund was established in support of UNPREDEP.

IV. Status of reimbursement to troop-contributing Governments

Troop contributors

8. Troops were provided to UNPREDEP by the Governments of Denmark, Finland, Indonesia, Norway, Sweden and the United States of America.

Status of reimbursement

9. Full reimbursement of troop costs has been made.

V. Contingent-owned equipment

Method of reimbursement

10. In section I, paragraph 4, of its resolution 51/218 E of 17 June 1997, the General Assembly reiterated that, for missions activated prior to 1 July 1996, countries had the option to accept reimbursement under either the new or the old reimbursement methodology. The four Governments that provided contingent-owned equipment to UNPREDEP have opted for reimbursement under the new system.

Status of reimbursement

11. Full reimbursement for usage charges has been made, however, an amount of $2.6 million has been placed in accounts payable pending instructions from a troop-contributing Government. In addition, an amount of $2.9 million in unliquidated obligations has been retained in the UNPREDEP special account to settle outstanding claims for losses of contingent-owned equipment.

VI. Financial performance report

12. A total of $166,390,300 gross ($161,822,900 net) was appropriated and apportioned among Member States by the General Assembly for the operation of UNPREDEP. As indicated in paragraph 6 above, an additional amount of $183,730 gross ($166,330 net) was appropriated for the liquidation of the Force for the period from 1 July to 15 October 1999 but has not yet been apportioned among Member States.

13. Expenditures amounting to $151,808,800 gross ($148,777,600 net) were reported in the performance reports dated 5 March 1997 (A/51/508/Add.2), 16 January 1998 (A/52/768), 8 January 1999 (A/53/786) and 7 February 2000 (A/54/740), resulting in an unencumbered balance of $14,581,500 gross ($13,045,300 net). Decisions were taken by the General Assembly on the treatment of all reported unencumbered balances, including the retention of $904,000 from the unencumbered balance of $1,161,700 gross ($1,104,300 net) in respect of the period from 1 July 1998 to 30 June 1999 to cover the costs of outstanding claims from a Government for the rotation of its troops during the period.

14. Additional unencumbered balances totalling $6,155,600 gross ($5,981,500 net) resulted from reductions amounting to $7,254,600 gross ($7,080,500 net) from the

cancellation of obligations ($6,646,000) and from a variance between expenditures reflected in the performance report and those recorded in the UNPREDEP special account for the period ending 30 June 1996 ($608,600 gross and $434,500 net), offset by additional requirements of $1,099,000 in respect of prior-period adjustments amounting to $195,000 and expenditures of $904,000 for a government claim.

15. As can be seen from table 3, as at 31 December 2001 the balance of appropriations therefore amounted to $7,059,600 gross ($6,885,500 net).

Table 3
Summary of resources as at 31 December 2001
(United States dollars)

	Gross	*Net*
1. Appropriations[a]	166 390 300	161 822 900
2. Expenditures[b]	145 653 200	142 796 100
Total, 1 less 2	**20 737 100**	**19 026 800**
3. Credits applied to Member States	13 677 500	12 141 300
4. Balance of appropriations	**7 059 600**	**6 885 500**

[a] Excludes an amount of $183,730 gross ($166,330 net) appropriated by the General Assembly in its resolution 53/20 B of 8 June 1999 for the period from 1 July to 15 October 1999 but not yet apportioned.
[b] Excludes expenditures of $172,000 gross ($76,000 net) for the liquidation of UNPREDEP for the period from 1 July to 15 October 1999.

16. Information on the cash position of UNPREDEP, the status of assessed contributions and other income, as at 31 December 2001, is shown in tables 4 to 6 below.

Table 4
Financial position as at 31 December 2001
(United States dollars)

Cash balance	36 516 000
Cash requirements	
Unliquidated obligations	4 322 000
Amounts in accounts payable	2 603 000
Inter-fund balances payable	11 204 000
Other liabilities	174 000
Subtotal	**18 303 000**
Cash balance	**18 213 000**

Table 5
Status of assessed contributions as at 31 December 2001
(United States dollars)

Unpaid assessed contributions	9 255 854

Table 6
Other income as at 31 December 2001
(United States dollars)

Voluntary cash contributions	2 000
Interest income	16 768 000
Miscellaneous income	3 984 000

VII. Application of unencumbered balance

17. In his report on the implementation of the recommendations of the Special Committee on Peacekeeping Operations and the Panel on United Nations Peace Operations (A/55/977, para. 124), the Secretary-General proposed a modest up-front procurement of a medium strategic reserve for the United Nations Logistics Base at Brindisi, Italy, in order to deploy a peacekeeping operation in 30 to 90 days. The report containing the budget for the strategic reserve stocks, estimated at $179.7 million, is being finalized. In view of the fund balances available in several closed missions for which final performance reports are being submitted to the General Assembly at the present session, it is proposed that balances be transferred to the account of the United Nations Logistics Base at Brindisi to meet most of the cost of the strategic reserve stocks rather than be credited to Member States. As regards UNPREDEP, it is proposed that the cash balance of $18,213,000 reflected in table 4 be transferred from the special account to the logistics base account for this purpose.